



A Palestinian waves as a missile is fired at Israeli positions in the outskirts of Beirut.

French Franc Devalued In Realignment of EMS

By Carl Gewirtz

International Herald Tribune
PARIS — The French franc has been devalued within the European Monetary System, triggering changes intended to ease tensions between the stronger and weaker currencies in the monetary bloc.

Meeting in Brussels on Saturday, finance ministers of the eight EMS countries devalued the French franc by 5.75 percent and the Italian lira by 2.75 percent. West Germany and the Netherlands raised the value of their currencies by 4.25 percent.

The franc will thus decline by 10 percent against the Deutsche mark and the guinea, and the lira will decline 7 percent. The revaluation of the mark and the guinea gives added breathing space to the Belgian-Luxembourg franc, the Danish krone and the Irish pound, whose parities were not changed.

The French government accompanied the latest cut with measures aimed to reduce the rate of inflation, now running at a 14-percent annual rate, to below 10 percent by the end of October. By contrast, the annual rate in West Germany is about 5.4 percent.

Wage-Price Freeze

The measures announced in Paris on Sunday include a four-month freeze on wages and prices and a promise to hold the budget deficit to 3 percent of gross domestic product by eliminating the current 1.5-billion-franc deficit in the social security, budget and other spending cuts.

Finance Minister Jacques Delors of France said the 1983 budget deficit would be held to 1.2 billion francs.

The wage freeze was expected to cause difficulty with the Communist Party, junior members in the government.

There is no mechanical link between the EMS values and the value of individual European currencies against the dollar so that bankers were reluctant to predict where the mark and the franc would trade when markets open Monday.

They predicted that the markets would be more preoccupied with the ramifications of the death of King Khalid of Saudi Arabia than with the EMS changes.

After the Brussels meeting, Mr. Delors estimated that the franc would trade at around 6.35 to the dollar. On Friday, the franc was traded at 6.30 to the dollar.

On Sunday, Mr. Delors estimated the real value of the mark at 2.05 to 2.20 to the dollar. The



Jacques Delors

would be reached with labor and industry on future increases.

Prime Minister Pierre Mauroy said the devaluation offers French industry "additional possibilities to reconquer the domestic market and develop their exports."

France is running a monthly trade deficit of about 20 billion francs with West Germany, France's largest single customer and supplier, and 11 billion francs with Japan. The devaluation will increase the cost of these imports to French consumers and presumably discourage foreign purchases. The devaluation will enhance price competitiveness of French goods abroad, especially where France is competing against West Germany.

However, West Germany's finance minister, Manfred Lehmann, was quoted in radio reports as saying he believed West German exporters would be able to cope with the parity changes. He said he hoped the moves would create greater economic stability in Europe.

The French government's program represents an important redirection of policy. Up to now, France, alone among the major industrialized states, has emphasized fighting unemployment over the fight against inflation. It has tried to boost domestic consumption and force-feed an economic recovery. But instead of creating a boom for domestic industry, the plan set off an import splurge helping to boost production in neighboring countries, especially West Germany.

The French hope that the EMS realignment will reduce pressure on the Deutsche mark against the dollar and permit the West Germans to lower domestic interest rates, which would help to fuel an economic recovery in Germany and eventually the rest of the Common Market.

The high level of U.S. interest rates, which has forced West Europeans to keep their rates high to minimize the outflow of interest-sensitive money from their own countries and thus protect their exchange rates against the dollar, helped stifle any chance for an economic revival in Europe.

France's attempt to stand alone was not only impossible, it was also costly. Anticipation of what was widely regarded as an inevitable devaluation of the franc fueled speculation on the markets that cost France about 21 billion francs in intervention. The reserves of the Bank of France are estimated to have declined from 37 billion francs at the beginning of March to 16 billion francs.

No Growth Effect

Mr. Delors said that the devaluation would have virtually no effect on France's expected economic growth this year, which he put at around 2.5 percent, or on unemployment, which he said has stabilized at about 2 million workers.

However, he said the move was expected to shave 30 billion francs off the nation's trade deficit. For April, France reported a trade deficit of 10.16 billion francs, up sharply from the 4.4-billion-franc deficit of March.

Mr. Delors described the package announced Sunday as "a small electroshock" needed to brake inflation. He called the four-month wage-price freeze an "aerotanker" where new accords

Truce in Lebanon Shattered

Israelis, Palestinians Clash; Syria Cease-Fire Holds

Compiled by Our Staff From Dispatches
TEL AVIV — Israeli planes, dropping flares to divert anti-aircraft missiles, bombed Palestinian targets on the southern outskirts of Beirut Sunday after artillery exchanges shattered a day-old cease-fire with the guerrillas.

A separate truce between the Syrians and Israelis apparently was holding.

Israeli troops and tanks moved into the Beirut suburb of Baabda on Sunday to link up with pro-Israel Christian forces and close the circle around the Palestinian guerrillas.

Lebanese government officials and state-run Radio Lebanon reported the Israelis moved into Baabda without resistance from Lebanese Army units based there. The Lebanese presidential resi-

dence, the Baada Palace, is located in the district, but the Israelis reportedly did not try to take it.

The midafternoon air strikes, according to Beirut radio stations, concentrated on the Palestinian-held coastal town of Khalde, three miles (4.8 kilometers) south of Beirut airport.

An Israeli spokesman in Tel Aviv confirmed that planes had moved in to help artillery batteries exchanging fire with guerrillas.

One commentator on Israeli radio said the shelling might have reflected differences of opinion among rival guerrilla groups on whether to respect the cease-fire

that went into effect at 9 p.m. Saturday.

The Israeli Foreign Ministry had announced Saturday that Israeli forces in Lebanon would cease firing at the Palestinians that night.

U.S. Pressure Denied

In a television interview Saturday, Foreign Minister Yitzhak Shamir said Israel had acted on its own initiative — and not as a result of its latest contacts with U.S. officials — in declaring the cease-

fire with the Palestinians in the Beirut area.

The Tel Aviv command said in reporting the shelling Sunday morning that despite Israel's "entreaties for a cease-fire" the guerrillas resumed shooting at Israeli troops.

A spokesman for the Palestine Liberation Organization, who de-

clined to be identified, accused the Israelis of violating the truce and said the guerrillas were prepared to "abide by the cease-fire" if the Israelis stopped shooting.

Salah Khalaf, the PLO's security chief and a close aide of PLO leader Yasser Arafat, said the Israeli sought to cause the cease-fire to collapse so they could encircle and wipe out the Palestinian leadership.

Palestinian sources said at least 10,000 people have been wounded or killed since Israel invaded Lebanon a week ago to stamp out guerrilla bases. Israel reported 107 Israeli soldiers killed and 340 wounded.

Israeli and Syrian forces ceased firing at each other in Lebanon Friday.

Israeli officials met in Tel Aviv Sunday with Philip C. Habib, the

U.S. presidential envoy, to discuss Israel's terms for withdrawal from about 1,000-square miles of Israeli-occupied territory — nearly a quarter of Lebanon.

Israeli radio quoted government sources as saying that in meetings with Mr. Habib, Prime Minister Menachem Begin's government will try to achieve a separation of Israeli and Syrian forces and prevent those Syrian troops who have left Beirut from returning to the Lebanese capital.

Israel radio quoted officials as saying Israel hoped Lebanese President Elias Sarkis would take advantage of the weakening of Palestinian guerrilla and Syrian forces in Lebanon to establish a strong national government.

The officials reportedly said another condition was the withdrawal (Continued on Page 2, Col. 6)



Pope Ends Visit to Argentina With Prayer for End to War

By Jackson Dichl
Washington Post Service

BUENOS AIRES — Pope John Paul II, saying he had seen in Argentina "the fervent pleading for peace," prayed here for an end to Argentina's war with Britain over the Falkland Islands.

After he returned to Rome on Sunday, the pope said he continued "to hope against hope" for an end to the fighting in the South Atlantic.

By Saturday's final event of his quickly arranged, 32-hour visit to Argentina, the pope called on the cheering, chanting crowd that had spread through the city's Palermo Park to "make a chain of union stronger than the chains of war."

"We want peace, we want peace," he said before boarding his plane.

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At Palermo Park, the pope followed a somber homily on suffering Friday at the national religious shrine of Lujan with a message focusing on the redemptive powers of Christ. He stressed that Christ's body and blood "bear death and at the same time life."

Then, looking over the crowd, John Paul called on Argentine youth, saying, "I've seen in your eyes the fervent pleading for peace that arises from your spirit."

"Join with the youths from Great Britain, who on recent days have applauded with equal sensitivity every invitation to peace and harmony," he said. "Let no hatred wither the generous energy and the capacity of understanding we all share."

The pope then closed his eyes and prayed with the crowd for those who have died and their families, both in Britain and in Argentina.

Throughout the country, officials and many Argentine citizens seemed to interpret the pope's calls for peace as support for a solution

that preserved Argentina's claim to the Falkland Islands.

"Now, with the pope, we can win the war," said a woman before hearing his homily at Palermo Park.

The pope, speaking Spanish throughout his visit, urged church authorities to seek union with "your bishop brethren" in Britain. For the second time in his visit, he reminded church leaders that patriotism must be tempered by religious unity.

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Argentina earlier reported that 4,500 British troops had overrun positions and captured Two Sister and Harriet.

"Our successes on the ground over the weekend mark another significant step to securing the complete and final withdrawal of Argentine forces ... There is still some way to go but the outcome is not in doubt," declared Mr. Nott.

In his report on the actio

on last week, Mr. Nott also said 57 men from the ships Sir Galahad and Sir Tristam were also injured.

In another development, the Ar-

gentine news agency DYN reported that Navy Capt. Alfredo Astiz arrived in Argentina earlier this month to be freed by the British. Capt. Astiz was captured in the South Georgia Islands and taken to Britain after it was learned that he was wanted for questioning by France and Sweden in connection with the disappearance of three women in 1977.

INSIDE

After some early stumbles, President Reagan recovered in the final half of his European journey and largely accomplished his goal of reassuring the nations he visited that he is not the sort of man who would lead the alliance into war. But he also raised doubts about his mastery of detail.

News Analysis, Page 5.

■ Belgium upset, defending champion Argentina, 1-0, in the opening match of the 1982 World Cup soccer championship. Erwin Vandenberghe scored the goal. Page 15.

■ Governmental restrictions on reporters have kept the public from getting full and objective reports about the fighting in Lebanon, in the Falkland Islands and along the Iran-Iraq border. Page 3.

■ The party that has ruled the Indian Ocean island democracy of Mauritius since independence 14 years ago was routed so completely in elections that it was left with not a single seat in Parliament. The vote brought to power a party that was pledged to limited nationalization. Page 6.



King Fahd

Saudi King Khaled Dies; Fahd Is Successor

Compiled by Our Staff From Dispatches

RIYADH — King Khaled, 69, of Saudi Arabia, who reigned for seven years, died Sunday of a heart attack.

He was immediately succeeded by Crown Prince Fahd, his half-brother.

Diplomatic sources said King Khaled died in the mountain resort town of Taif. He had suffered from a heart ailment for many years and had undergone open heart surgery in Cleveland in 1972.

King Khaled was the fourth king of Saudi Arabia's Wahhabi dynasty. Despite ill health and a temperament more suited to life in the desert than on the throne, King Khaled worked quietly to impose his stamp of authority on the country.

Born in 1913 — neither the month nor the year was recorded — in Riyadh, then little more than an oasis, he was the fifth son of King Saud, a chieftain who unified the desert tribes and coastal principalities in the 1920s and became the founding king of Saudi Arabia. King Saud had 40 sons among his 106 children.

King Khaled's mother, one of King Saud's 300 wives — never more than four at a time, in accord

with Islamic law — was Aljunah Bint Mousa, a member of the influential Jilwi clan. King Khaled had a strict Moslem upbringing and retained a deep religious faith.

King Khaled was thrust into power on March 25, 1975, an hour after his half-brother, King Faisal, was assassinated by a bomb.

King Khaled held no government post until 1962, and as heir to the throne he played an unobtrusive role, living very much in King Faisal's shadow.

When he came to the throne there was doubt about the new king's ability. In fact it was announced that the newly designated Crown Prince Fahd was to handle Cabinet affairs and government ministers would answer to the crown prince, not King Khaled.

But King Khaled slowly came to assert himself, and play a decisive role in maintaining a balance within the royal family between the crown prince's Sudri clan, the full brothers who are sons of King Abdul Aziz, and the half-brothers whose power lies in the eastern provinces.

It was King Khaled who smoothed tempers and kept clan and country on an even course.

Following the 1979 Egyptian-Israeli peace treaty, King Khaled arranged that his country remained neutral in the liberation of Jerusalem. Like King Faisal, King Khaled said he dreamed of the day when he could pray in the Al Aksa mosque in Jerusalem.

In 1976, King Khaled was instrumental in organizing a reconciliation conference in Riyadh that led to the formation of a 30,000-man Arab League force to keep peace in Lebanon.

Ill health plagued him for years. A heart attack in 1970 was the first serious blow and it forced him to curtail his activities. Doctors from the United States frequently visited Saudi Arabia to treat the king, who also suffered from a hip problem that required surgery in London in 1976.

Along With Army, Israel Moves Administrators Into South Lebanon

By Edward Cody
Washington Post Service

METULLA, Israel — In addition to moving vast amounts of weaponry into Lebanon, Israel is also sending experienced civilian and military administrators from the West Bank and Gaza Strip to run civilian affairs in the southern portion of the country for a long period if necessary, according to Israeli military sources.

The Israeli Army has appointed "military coordinators" for the captured cities of Tyre and Sidon to care for thousands of Lebanese civilians whose lives have been thrown into turmoil by the Israeli sweep.

Both coastal towns were heavily damaged during the Israeli as-

saults in which they were captured from Palestine Liberation Organization guerrillas who had been administering them through sympathetic local Lebanese civil officers and Moslem militias.

To aid its military coordinators, the Israeli Defense Ministry is transferring specialists from territories occupied by Israel since the 1967 Middle East war, the Israeli military sources said. Their jobs include control of the civilian population and searches for guerrillas in hiding, as well as organization of civilian facilities such as water and food distribution.

"Since 1967, we have had a lot of experience in this field, and we're putting it to use," a military source said.

The Israeli occupation in Lebanon, observed during a drive from the border to Sidon and back and described by Israeli military sources, reflects a determination to keep Israeli troops in Lebanon to pursue and destroy Palestinian guerrillas during what are expected to be protracted diplomatic contacts for a settlement.

"We will not leave one stone unturned," the Israeli chief of staff, Maj. Gen. Rafael Eitan, said Friday. "It may take a long time."

Israeli military intelligence estimates that between 15,000 and 16,000 armed guerrillas were in Lebanon before last Sunday's invasion, about 6,000 of them in Beirut. These figures tally with the most reliable estimates in Beirut.

Since Sunday, when the operation began, the Israeli Army has announced that it has killed about 500 guerrillas, which it always refers to as "terrorists." This figure presumably has grown in the most recent fighting.

Several thousand guerrillas are believed to be still in the area under Israeli control, in hiding or posing as civilians in an attempt to escape capture. Others have fled northward to join their comrades in Beirut, Israeli military sources said.

To root out the guerrillas remaining in the occupied portion of Lebanon, Israeli forces are conducting what would be described in English as "mopping up operations." The Hebrew word Israeli

officers use to describe the operations means "purification."

Israeli administrators from the West Bank have long years of experience doing this sort of work, the sources said. They conducted similar searches after Israel captured that territory from Jordan and Palestinian guerrillas mounted infiltration raids across the Jordan River in 1968 and 1969, often hiding in hills and caves around the West Bank similar to those in Lebanon.

Israeli soldiers, backed by tanks and armored personnel carriers, man frequent checkpoints along most of the shell-pocked roads that traverse southern Lebanon. They stop cars, many flying white flags from antennas, and demand Lebanese identity cards of all civilians. Israel has not disclosed casualty figures among the civilians. The Lebanese Red Cross, according to radio reports from Lebanon, estimated that 1,000 people were killed and 3,000 wounded in the battle for Sidon and the Israeli bombardment and shelling that preceded it.

WORLD BRIEFS

Police Halt Protests in 3 Polish Cities

WARSAW — Polish security forces Sunday stopped opposition demonstrations in Gdansk, Wroclaw and Nowa Huta as Poles marked six months of martial law, the PAP news agency said. It said attempts to "organize gatherings and cause street disturbances ... were quickly checked by security forces."

In West Berlin, a spokeswoman at the U.S. Tempelhof air base said three Polish men used a small plane with pasted-on Soviet markings to escape to the West. She quoted the three men, who asked for asylum, as saying they overpowered the watchman of an aero club in Wroclaw without injuring him, attached the Soviet markings and took off early Sunday.

Afghanistan Claims Strategic Victory

NEW DELHI — Afghanistan said that 30 insurgent groups have been wiped out in recent fighting in the strategic Panjshir Valley northeast of Kabul.

Western diplomats support the broadcast claims that Soviet and Afghan forces captured much of the rebel-held valley controlling supply lines to northern and northeastern provinces in a two-week offensive in which paratroopers, dropped by helicopters, sealed off guerrilla positions.

The broadcast, monitored in New Delhi Saturday, said government troops seized 8,800 light weapons, 98 rocket-launchers, 691 mines, nine heavy machine guns, and a large quantity of other arms and ammunition from the anti-Communist guerrillas.

Army Action Reported in Zimbabwe

HARARE — Intense military activity was reported during the weekend in the troubled southern Zimbabwe province of Matabeleland.

Travelers arriving in Bulawayo, the provincial capital, reported seeing paratroop landings in the Matopos mountains in midweek, followed by prolonged gunfire. Bulawayo residents, reached by telephone Sunday, said camouflaged air force Dakotas transports were constantly flying south over the city.

No government comment was available. At least 25 people have been killed in Matabeleland in the past two months. The government of Prime Minister Robert Mugabe has blamed former guerrillas loyal to Matabeleland-based opposition leader Joshua Nkomo, sacked from the ruling coalition in February after allegations he was plotting a coup. Mr. Nkomo denies the accusation.

Spain Communists Re-elect Carrillo

MADRID — Santiago Carrillo emerged with his leadership apparently stronger Sunday after the Spanish Communist Party called him back as its leader.

Mr. Carrillo resigned as secretary-general Wednesday night on the eve of a three-day meeting of the party's central committee after a disagreement with dissidents.

Because of Mr. Carrillo's 67-to-4 victory in the central committee vote late Saturday, the party's deputy secretary-general, Nicolás Sartorius, resigned his position. Disagreement between Mr. Carrillo, 67, and Mr. Sartorius, 39, was centered on Mr. Carrillo's expulsion last year of more than 60 national and local leaders who opposed his anti-Soviet policy.

200 Detained at Soweto Ceremony

JOHANNESBURG — More than 200 people were detained by police Sunday night in the black township of Soweto during a memorial service for a black union leader, informed sources said.

Those reportedly held were said to include Dr. Nthato Motana, an influential Soweto black activist, and Albertina Sisulu, wife of imprisoned African National Congress leader Albert Sisulu.

The detentions were reported three days before the sixth anniversary of riots that left more than 500 people dead in the sprawling black township outside Johannesburg. Sunday's ceremony, organized by the Young Women's Christian Organization, was held in memory of African National Congress member Petrus Nzima and his wife, who died in a bomb blast in Swaziland two weeks ago.

Plane Crash Kills 44 Brazilians

MANAUS, Brazil — All 44 Brazilians aboard a airliner that crashed into an airport parking lot at the northwestern city of Tabatinga on Saturday were killed, officials said Sunday.

Airline and air force officials said the TARA airlines Fokker-27 twin-propeller plane on a flight from the town of Eirunepe hit a lighting tower and crashed into the parking lot next to the airport, 620 miles (992 kilometers) west of the Amazon port of Manaus.

Compiled From Agency Dispatches

Saudi Monarch Pledges Continuity of Policies

RIYADH — Prince Sultan, the announced new ruler, has retained his posts.

In effect, King Fahd has in effect governed the oil kingdom for years because of King Khaled's ill health.

He had been crown prince and first deputy prime minister since 1975, when King Khaled ascended the throne after King Faisal was assassinated.

King Fahd is considered a friend of the West, which he has visited frequently. In 1974 he signed an important economic and military cooperation agreement with the United States.

He has been at the forefront of efforts by Saudi Arabia, as the world's largest oil exporter, to keep oil price increases from damaging the world economy.

His strategy was demonstrated recently when the kingdom raised its oil production capacity, first to bring down higher oil prices, and then to defend the basic OPEC price of \$34 dollars a barrel. Saudi Arabia would continue its market-share oil policy.

King Fahd has been at the center of Middle Eastern political issues. He is chairman of the 45-member Islamic Conference Organization, which is based in Jeddah, and his country is also the leading power in the six-nation Gulf Cooperation Council, which was formed a year ago after the Iranian revolution. The Soviet intervention in Afghanistan and the Iraq-Iran war.

Although a strong supporter of the Palestine Liberation Organization, last year he produced a Middle East peace plan that implicitly recognized Israel, only to run into opposition from radical Arab states.

The king entered politics in his early 30s, becoming the country's first minister of education under King Saud in the mid-1950s. In that role, he played a large part in forming a generation of educated and technically competent young Saudis trained to apply modern technology in the kingdom.

Paris' Elegant Terrasse Fleurie



One dines facing a fountain in the courtyard of Paris' Hotel Inter-Continental.

ENTER GRAHAM said in a Herald Tribune article, "(The) celebrated, and often celebrity-packed, Terrasse Fleurie is an Italian-style patio with marvelously gentle lighting... The interesting 165-franc set menu, which includes service but not wine (from the hotel's very well-stocked cellars).

HOTEL INTER-CONTINENTAL PARIS

3, rue de Castiglione, Paris 1.



Hotel Zürich

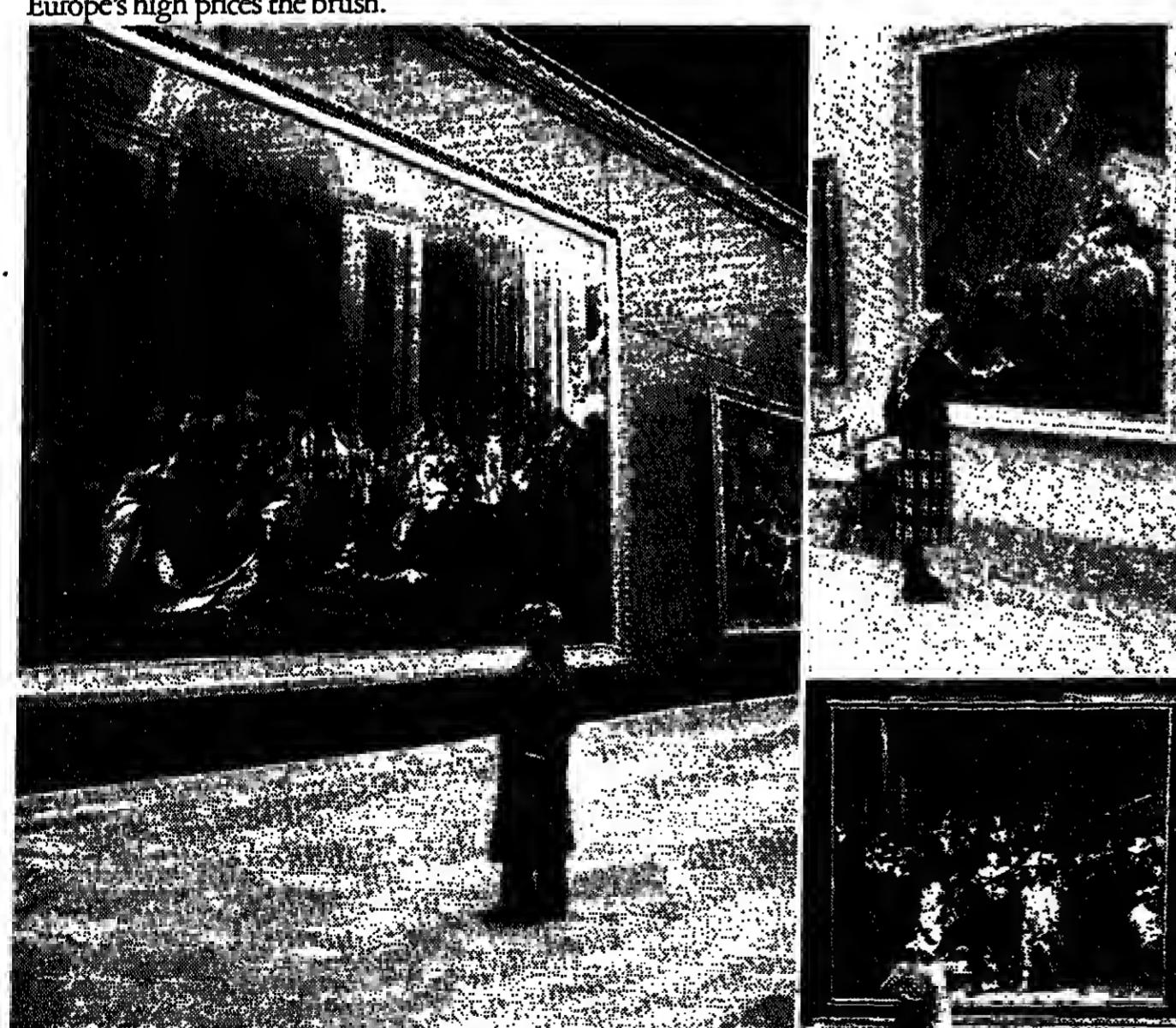
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When you're having the most colorful trip of your life, let your family and friends have a "look" right along with you. Give them a call. But first, check out all the money-saving tips below, so you can give Europe's high prices the brush.



Save on surcharges. Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

There are other ways to save money.

Save with a shortie. In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back.

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Save these other ways. Telephone Company Calling Card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

Save nights & weekends. Always check to see whether the country you're in has lower rates at night and on weekends. Usually the savings are considerable. Now you have the whole picture.



Bell System

Thatcher Appears Decided to Plan For Long-Term Falklands Defense

By Leonard Downie Jr.
Washington Post Service

LONDON — Turning aside advice from the Reagan administration and her own Foreign Office, Prime Minister Margaret Thatcher appears determined to turn the Falkland Islands into a British-defended fortress if they are recaptured.

After already having spent about \$2 billion in the war to regain the islands, Mrs. Thatcher is considering long-term defensive measures that could cost \$500 million a year.

Although she has insisted that she still hopes to persuade the United States and some Latin American countries to join in a security arrangement for the Falklands, Mrs. Thatcher has made it clear that she otherwise intends for Britain to take sole responsibility for their defense. She has ruled out of her plans negotiations to give Argentina any say in the future of the islands.

She has talked about guarding the islands with warships and submarines, and aircraft missile systems, and jet fighters and bombers moving an extended runway at Stanley Airport.

"It will mean that we will have to make a number of considerable expenditures," Mrs. Thatcher said

last week. "Freedom is expensive to defend. It is worth defending."

Military analysts in London said this would mean leaving a garrison of 3,000 soldiers or more on the Falklands, protected by Phantom fighter-bombers, Rapier anti-aircraft missiles, radar planes, transport aircraft, combat and transport helicopters, several warships and one or two nuclear-powered submarines.

They estimated that this would cost at least \$200 million a year more than the normal cost of maintaining the resources elsewhere in the British military.

Effect on NATO

It could also mean removing troops, planes, ships and armaments from NATO defense roles in the North Atlantic, mainland Britain and possibly West Germany. To replace them instead would increase the annual bill to about \$500 million, the analysts estimated. More money also would have to be spent on necessary improvements, such as lengthening the Stanley Airport runway.

British government sources estimated that it has already cost nearly \$1 billion for the fuel, ammunition, ship requisitions and other expenses of fighting the Falklands war. This does not include the amount that would have been

spent to pay the troops involved and maintain their equipment.

The ships, planes and other equipment that have been lost in the fighting so far have added at least another \$1 billion to the bill, according to these sources. This brought the total to about \$2 billion before the start of the fighting around Stanley this weekend.

British officials have insisted that the costs of the war can be absorbed by a large contingency fund in the government's budget. If more money is needed, they have said, taxes would be raised to avoid damaging Mrs. Thatcher's efforts to hold down budget deficits and government borrowing. It already appears that the war may prevent the government from making intended income tax cuts next year.

Mrs. Thatcher has also indicated that she is willing to spend sizable sums of money developing the Falklands economy and attracting new settlers there before offering the inhabitants some form of British-protected self-government.

A large British military garrison that would triple the population of about 1,800 would have a major economic and social impact on the Falklands.

New barracks, hangars, docks and roads would have to be built



HOMEWARD BOUND — Captains David Hart-Dyke of the Coventry, left, Alan West of the Ardent and Nick Tobin of the Antelope were among the 700 British sailors who arrived in Southampton Friday from the Falkland Islands aboard the Queen Elizabeth 2. The Coventry, Ardent and Antelope were three of the British ships that were sunk in Argentine air attacks.

Censorship, Military Restrictions Limit News From the War Fronts

By Jonathan Friendly
New York Times Service

NEW YORK — Governments' restrictions on reporters, including the denial of access to battle areas and censorship of dispatches and pictures, has kept the public from getting full and objective reports about the fighting in Lebanon, in the Falkland Islands and along the Iranian-Iraqi border.

Officials say the restrictions on such information as the progress of a battle or the extent of civilian and military casualties are required for security reasons. Readers and viewers in Western societies, however, have come to expect such information.

In interviews, executives of news organizations in the United States said they were not surprised that Iran and Iraq kept correspondents from the battlefield, but that they were taken aback by the actions of Britain and Israel, two democracies with traditions of relatively open access to information.

"They said the restrictions on reporters added to the already complicated process of gathering news at a time when three wars were being waged simultaneously."

The only reporters allowed to accompany the British fleet are British, and their dispatches are subject to military censorship and must move through military communications channels.

Argentina also has not permitted any foreign reporters on the islands. Formal military briefings for foreign reporters began in Buenos Aires only last week.

Reporters Barred

Israel, departing from its practice in previous wars, including the 1978 invasion of Lebanon, has effectively barred foreign reporters from its side of the battlefront until well after the fighting is over. Correspondents say Israel has intensified its review of dispatches that deal with military or security matters.

Newspaper and news agency editors, and officials of television networks said their reporters in Lebanon were able to get within sight of some action from the Arab side, so that the coverage problem there was less severe than that found in the Falklands fighting.

Karen DeYoung, foreign editor of The Washington

Post, said the primary effect of being denied battlefield access in Lebanon is that "we don't have a good fix on the number of prisoners or the number of casualties."

Balance Needed

Craig R. Whitney, foreign editor of The New York Times, said, "We have no idea at all how much damage has been done or what has happened to all those thousands of people" who had been living in the Lebanon territory that Israeli troops seized.

The editors all said they were conscious of the need to balance conflicting accounts of fighting, not just in the Middle East or the Falklands but also in Afghanistan, where the only information comes from guerrillas and is smuggled across the border or in secondhand accounts from diplomatic sources, and in El Salvador, where reporters have had considerable access to the government and less to the guerrillas.

Nate Polowetzky, foreign editor of The Associated Press, said, "You have to report what they are saying, what they are claiming. Then you have to show it might be propaganda."

Richard O'Mara, foreign editor of The Baltimore Sun, said Argentina's reluctance to say anything for most of the last two months had created "an imbalance in coverage."

He said, for example, that his reporter in Buenos Aires felt that the Western press had been too ready to accept British claims that it could take the capital, Stanley, when the 12-day halt in British operations tended to support the Argentine claim that the attack was stalled.

In 1973 and 1978, the Israelis not only allowed correspondents to go to the battlefronts, but also provided frequent briefings by ranking military officers. Last week, they waited until Thursday before setting up a communications center for such briefings.

Israeli officials said privately the restrictions had been imposed for at least one strictly military reason: to avoid revealing data the Palestine Liberation Organization could not get without a sophisticated intelligence capability. But they also said that graphic battlefield accounts could have increased international pressure for a cease-fire.

Turkey Moves With Deliberation On Coastal Road to Soviet Union

By Marvin Howe
New York Times Service

ANKARA, Turkey — Earth-moving machines are busy leveling the unfinished coastal road to the Soviet border, just nine miles away, and the residents in the Black Sea port hope that its completion next year will mean the opening of the Turk-Soviet border to trade and travel.

"Everybody wants to open the door," says a Hopa businessman who would like to sell tangierines to the Russians. "The Russians will take our fruits and vegetables and anything else we have to sell them."

"The Soviet Union has finished one side of the coastal road and even built a customs house, but Kurdish authorities decline to predict when their road will be completed since that is a political decision."

"There is an old road from Hopa to the border village of Sarpi, but it is narrow and winds around rugged cliffs, takes twice as long to travel as the new road — and would not be of much use to an invading army."

"Although the Turks have a long history of conflict with the Rus-

sians, who occupied a large southeastern section of the country as late as 1917, the residents of Hopa hold the firm belief that if there were an invasion it would be a Western problem, not a Turkish problem."

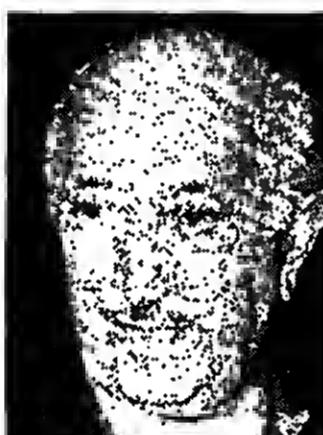
At a bend in the new road, it is possible to see the Soviet port of Batumi and the divided border town, which is called Sarpi on the Soviet side and Sarpi on the Turkish side.

Sarpi was split in 1920, but peasants recall that they could go freely back and forth to tend their farms or visit relatives until 1937. They say in that year there was an uprising on the Soviet side, and the local leaders of Turkish origin were sent to Siberia and the Sarpi border was sealed.

The Russians are due back in Hopa soon for talks. They always show up in a group of eight, sometimes laden with gifts such as vodka. In return, it is said, the most precious gifts the citizens of Hopa can offer are nylon stockings and bars of soap.

While the people of Hopa are waiting for the border to open, they can trade with Iran, about 300 rugged miles away.

A Turkish journalist, Bulut Eskim, visited Sarpi but reported he was constantly accompanied by



Wiesenthal Home Damaged by Blast

The Associated Press

VIENNA — A bomb blast damaged the home of Simon Wiesenthal, head of the Jewish Documentation Center here, but neither he nor anyone else was hurt, the police reported.

Mr. Wiesenthal said after the attack Friday that the explosion occurred at about 10:30 p.m. when he and his wife Silla were asleep.

Mr. Wiesenthal, 73, said it was believed that the attack was the work of Austrians, not foreigners.

U.S. Said to Bar Russia From Deep-Sea Project

By Walter Sullivan
New York Times Service

NEW YORK — The Soviet Union, reportedly on orders from the White House, is not being invited to continue to participate in a highly successful deep-sea drilling project.

While Americans involved in the project expressed dismay at the loss of Soviet participation, they were unwilling to do so on the record.

The Soviet Union, which has been involved in the project for nine years, was originally invited to join it as a result of a 1972 agreement on Soviet-American cooperation in science and technology. A similar agreement involving cooperation in space has not been renewed by the United States.

One effect of the latest decision may be to increase the American financial burden in the Deep Sea Drilling Project. The Russians, like other non-American participants, paid dues, but the United States carries the chief financial load through financing by the National Science Foundation.

The Russians were the first non-Americans to join the project. Britain, France, Japan and West Ger-

many then followed suit. Initially each contributed \$1 million annually, but the dues have doubled and may rise to \$3 million if it is decided to convert the huge Glomar Explorer into a drilling ship.

From its outset, the project has been centered on another ship, the Glomar Challenger. By drilling several hundred holes deep into the floors of all the world's oceans, that ship has obtained evidence on the histories of oceanic basins, the life that inhabited them, the movements of continents and changes in climate.

Project officials are now considering whether to spend up to \$70 million to convert the Glomar Explorer so that she can explore deeper reaches of the ocean. As a decision nears, efforts are being made to recruit other foreign participants.

Among the proposals discussed was the banding together of smaller countries, such as those in Scandinavia, to form a consortium that would pay a single membership fee. The present contract for use of the Glomar Challenger expires in September, 1983, and one proposal is to suspend its operations in a two-year period while the Glomar Explorer is converted.

In late March guerrillas fought for five days in the city of Usulután, the country's fourth largest, and they have again seized Perquin, the second largest city in the eastern province of Morazan, which they held for nine days last August.

For the most part, the war has moved out of the major cities. The police still patrol with automatic weapons.

Even with the increased American arms, money and training, a military defeat of the guerrillas is at least two years away, according to many familiar with the military situation here. On the other side, the insurgents are reconciled to a war that will not bring them victory for three to five years, according to some of their leaders.

Assessing the strength, ability and morale of the guerrillas is difficult since reporters have had only rare opportunities to cover the war from their side. But, like the government soldiers, they have gained considerable combat experience and appear to be stronger than they were 18 months ago.

In significant parts of the provinces of Morazan, Usulután, Cabanas, San Vicente and Chalatenango, a revolutionary society continues its operations except when the army attacks.

However, under questioning he conceded that land reform is in jeopardy because of opposition from big landowners with friends in the new government, and he acknowledged that the assembly's action "creates a new element of uncertainty" about the program.

Mr. Hinton denied that any part of it has been suspended, contending that the Constituent Assembly had merely removed the program's prohibition on renting four types of crop land. He pictured the action as justified to keep that country's economy going.

Rep. Clement J. Zablocki, a Wisconsin Democrat who is chairman of the House Foreign Affairs Committee, said he will bring his bill to the floor before mid-July. "If the situation is not more promising, we will put it over until next year," he said.

The Senate committee will not move its bill to the floor until July at the earliest.

In part, members are reluctant to vote for foreign aid after they have passed budget resolutions under the budget resolutions passed by both houses. But their hesitatio is also due to the Salvadoran government's recent altering of a land redistribution program that Congress has insisted is essential to continuation of the aid.

The reform program had been designed to give small plots to poor farmers, many of whom had been renting and working the land for years.

Now, however, there is disagreement about exactly what El Salvador's Constituent Assembly did in changing the third phase of the program.

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Herald Tribune

Published With The New York Times and The Washington Post

Lebanon for Lebanese

Israeli troops and American weapons have created another "new fact" in the Middle East and there is no point wailing about what might have been. Arrogantly, perhaps foolishly, the Israelis believe they can by force create the stable environment that history has denied them. Every battle creates imperatives for more battle, but the Israelis pursue a tough logic. Like it or not, their policy can be deterred only with better policy.

In Lebanon, the world has left the Israelis to their own devices.

After a decade of civil war, Syrian occupation, Palestinian agitation and Israeli intervention, there was no more Lebanon. Its Christian-Moslem society had collapsed, leaving a feudal array of private armies and a battleground on a once-peaceful southern frontier. The civil war was ignited by the arrival of militant Palestinians after they failed, in their 1970 "Black September," to seize Jordan. To prevent a total PLO takeover, and to stake its own claim to Lebanon, Syria thrust in its army and tried, in cynical coordination with Israel, to rule the ruins.

It did not work, because no one dared to challenge the dynamic Palestinians. They carved out many enclaves to build a state within the Lebanese non-state. Recruiting among Palestinian refugees, the PLO built its guerrilla forces into what began to resemble a regular army, with artillery, tanks and rockets from Libya and Russia.

Israel tried smashing these concentrations from the air, with occasional ground assaults

and with military aid to various Christian armies. But when helping the Christians threatened Syria's sway, Israel and Syria fell to contesting the air. Hence last summer's crisis over Syria's anti-aircraft missiles and the American-sponsored Israeli-PLO cease-fire. But the PLO buildup continued while no one produced even a plan to revive Lebanon. So now the Israelis offer theirs, violently.

I need not approve every facet of Israel's policy to see the opportunity it creates. A more forthcoming posture toward the West Bank Palestinians would give Israel a more compelling moral case. But the peace of Lebanon is also a moral issue, whose worldwide evasion merely hardened Israel's resolve.

Only now are the warring Christian and Moslem armies of Lebanon suddenly offering to pull together to reclaim their land. Only now are Lebanon's leaders emboldened to speak of Syrian as well as Israeli withdrawals. Israel asks a great deal to be seen as its neighbor's liberator, but such a liberation is in the interest of both countries, and also of America, for it could bring peace to another one of Israel's borders.

The Palestinian problem will not be blown away like so many PLO strongholds. But neither will a Palestinian home ever be built in the rubble of Lebanon. Behind the universal demand for Israel's withdrawal lies the open question of what it should leave behind. The world's answer should be not the PLO, not Syria, and not chaos, but a Lebanon.

THE NEW YORK TIMES

With a cease-fire in place in Lebanon, the sorting out of the latest Middle East crisis can begin. The first item on the agenda must be Lebanon. For 10 years, and rarely more cruelly than in the last week, its neighbors have been crashing through its house. Now with the Syrians and the PLO battered and Israel ascendant and prepared to bargain its new presence down, there may be an opening to assist the Lebanese to set their house right. Rehabilitation must go forward, and Lebanon's destiny must be returned to Lebanese hands. This means a government that is respectful of Israel's anti-terrorist interests but is not an Israeli puppet.

Some confusing currents are running. In Washington there is understanding of Israeli security requirements but a quiet shock verging on anger concerning the ferocity of Israel's attack, the evident expansion of its goals as the week wore on and the way it took advantage of President Reagan's distraction in Europe and of his initial tendency to indulge Israel on the basis of its claim simply to be securing its border. In other capitals there may be a mean resistance to the idea of reviving Lebanon on grounds that Israel will profit from it by gaining a good neighbor and some respite from terror, and that Syria and the PLO will lose in pride and strategic place. Still, no responsible government will allow its general feelings about the Middle East to get in the way of its specific obligations to Lebanon. That must be the priority.

No matter what unfolds in Lebanon, it is clear that Israel and the United States have reached a very troubled place. The difficulty is not merely that the Israelis, again, have embarrassed America in the eyes of friendly Arab regimes by the extravagant use of their military advantage. That is true, but honesty compels the offsetting admission that Israel was doing a nasty job that almost every other nation, including the United States, wanted done but did not have the heart to do. Most of the regimes in whose eyes the United States was embarrassed by Israel last week were scarcely embarrassed at all, as they should have been, by the years of Palestinian and Syrian abuse of prostrate Lebanon.

THE WASHINGTON POST

Other Editorial Opinion

From the Blood of Martyrs

Sanguis martyrum, semen christianorum. "The blood of the martyrs is the seed of Christians," went the saying in the early centuries. Perhaps the Palestinian nation indeed did not exist a quarter of a century ago. The fact is that it exists today, and that, like many another, it was born primarily of suffering, frustration and a determination to escape from both, one day.

It is not by crushing this nation that one will have extirpated the hatred that fills it in sight of the arrogance of the momentary victor and the indifference of the rest of the world. This is not the way one leads it to the gesture which, made earlier, would have changed everything: public acceptance at long last of what various PLO officials have admitted for years in private, that is, that it is madness to claim to envisage a peace in that part of the world that does not take the existence of a Jewish state into account.

At present, the magnanimity which in earlier times (notably in 1967) might have opened a way out of the impasse, aside from being scarcely compatible with the temperament of Menachem Begin, might well seem

intolerable to combatants who have drunk humiliation to the dregs. And yet, might not the time have come — after so much blood spilled, so much wealth wasted — to explore at last the path of mutual recognition? Otherwise, who can doubt that after this fifth war there will come another?

—From *Le Monde* (Paris).

Superpowers and Small Wars

A deterioration in Soviet-U.S. relations affects the whole world, and their recovery and improvement are necessary for the prevention and settlement of the minor wars which seem to have increased in number and destructiveness over the past few years.

Without some understanding between the United States and the Soviet Union, the fragile fabric of international law and order begins to fray and tear. Of course, it is even worse if one of the superpowers itself puts its boot through that fabric, as the Russians did in Afghanistan. Many Europeans believe that the clumsiness of American policy is largely responsible for the present disastrous situation in the Middle East.

—From *The Observer* (London).

June 14: From Our Pages of 75 and 50 Years Ago

1907: Naming Newspaper Owners

NEW YORK — Governor Hughes has signed a bill requiring newspapers to publish daily, after July 1, on the first page or at the top of the editorial page, the name and address of the proprietor, or, in case of a corporation, the name and address of the president, treasurer and secretary. It is believed that if tested in court the law will be declared unconstitutional, for a similar statute has been passed in some of the other states, which the courts have declared null. It is supposed to be aimed at such newspapers as Mr. William Randolph Hearst's, which avoid lawsuits by concealing their ownership under various subsidiary corporations, but the bill affects all newspapers.

1932: Big Soviet Oil Deposits

MOSCOW — Discovery of the world's largest oil deposits, expected to make the Soviet Union the leading producer and exporter, has been announced in Sverdlovsk. Researches have revealed three new oil regions, each equal in size to the present Caucasian fields. The most recent discovery was at Bashkiria, where deposits are estimated at hundreds of millions of tons. This area is a continuation of deposits previously investigated farther north in the region of the Emba River. The third district is Utkinsk, in the northern Urals. The three discoveries form an almost continuous oil belt conveniently near the great new Soviet industrial developments, thus releasing the Caucasian output for export.

Out of Lebanon's Ruins

An Imaginative Solution for the Middle East, Now

By Nadav Safran

CAMBRIDGE, Mass. — Historians will long argue about the particular causes and justice of the Lebanon war, but statesmen must undertake right away to mold a more hopeful future out of the conditions created by the war. American leaders bear a particular responsibility in this respect.

The roots of the war go back to the breakdown of the Lebanese state and society under the impact of the tremors of the wider Arab-Israeli conflict, and especially its Palestinian component.

The remedy of the situation must address both problems at once. If so happens that the conditions that favor a settlement of the

Lebanon problem now also open up serious new possibilities for advancing a settlement of the Palestinian question, provided they are imaginatively exploited.

The possible destruction of the political and military power of the PLO in Lebanon, the weakening of the Syrian presence and the positions held by Israel make possible the restoration of the unity, sovereignty and independence of Lebanon. However, if such a restoration is to be viable it must safeguard the rights of all the Lebanese communities, including the half a million Palestinians who have lived

there for 35 years and for the most part have nowhere else to go. It must also safeguard the legitimate security interests of Syria against attack from the western approach to Damascus, and of Israel against attack or harassment from any part of southern Lebanon.

Such a restoration would require the following elements:

• Formation of a provisional national government representing all factions, which would immediately proclaim the neutrality of Lebanon and conclude a peace treaty with Israel on the basis of international boundaries.

• International guarantees of Lebanon's neutrality.

• Withdrawal of all foreign forces from the country.

• Election of a constituent assembly to work out a new constitution ensuring the rights of all elements of the population.

• International assistance in the creation of a small Lebanese national army, and in the reconstruction of the country.

The defeat of the PLO and the weakening of Syria, even if temporary, would also remove threats that had contributed to deterring Jordan and the Palestinians of the occupied areas from participating in the Camp David process, and the Saudis from supporting it. Iraq's crisis in its war with Iran neutralizes another obstacle.

However, to take advantage of the opportunity, the United States must launch an imaginative initiative to expand the peace.

This would take off from the Camp David principles but would conceive of them in terms that are better calculated to overcome past stumbling blocks, induce Jordanian and Palestinian participation, and secure the support of other key Arab countries.

For instance, the concept of autonomy for a period of transition would be reaffirmed, but autonomy itself would be viewed as a process of evolution by defined and contingent stages, starting perhaps with limited administrative powers and expanding gradually to full legislative power.

The transition from one stage to another would be contingent upon pre-defined criteria aimed at the gradual realization of conditions of security, peace, open borders, cooperation and exercise of the rights of Arabs and Jews — as individuals but not as publicly organized settlement groups — to live and work anywhere in the country.

The duration of the period in which the autonomy process would unfold would be extended in order to provide adequate time for testing, but it would be recognized from the outset that at the end of the process, the inhabitants of the West Bank and Gaza would have the right to self-determination, subject to assurances being worked out for the continuation of the peace that would presumably exist at that time.

Provisions would be made for natural determination of satisfactory compliance with the conditions for movement from one stage to another in case of disagreement.

Would Prime Minister Menachem Begin agree to such an approach? The answer is uncertain. Much will depend on the extent to which the United States uses the leverage it will command in the next weeks and months — when Israel will be under enormous international pressure to pull out from Lebanon quickly and when its economy would be strained by mobilization — to advance the program. In any case, precisely because of the possibility that Begin's position may actually harden, it is imperative that the United States should express its disassociation from that position in the positive form of a fair and practical vision of peace.

Provisions would be made for natural determination of satisfactory compliance with the conditions for movement from one stage to another in case of disagreement.

Nevertheless, the Israelis, with their usual military skill but at tremendous cost in human life, have swept over the battlefield, avoided a major ground war with Syria and opened up the possibility of negotiations for the restoration of an independent Lebanon, free of all foreign troops, and reconsideration of the Palestinian problem.

Officials in Washington recognize that this will be a daunting process, but they believe there may still be a chance. Even the Arab leaders see no future in going back to the status quo, with an amputated and paralyzed Lebanon dominated by PLO terrorists and foreign armies, supplied on the Syrian side by Moscow and on the Israeli side by Washington.

Israel does not want to occupy southern Lebanon. Its military and its economy are already stretched to the limit. What it does want is to cut another useless United Nations "presence" in southern Lebanon but a powerful international military force, including troops from the United States.

It will not be easy, however, for Begin to negotiate such an arrangement when he comes to Washington, not unless he is prepared to deal more generously with the promise of self-determination for the Palestinians, which the president hoped would be his triumphant tour of Europe.

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New Set of Armed Men Proudly Roam the Streets of Chad's Battered Capital

By Alan Cowell
New York Times Service

NDJAMENA, Chad — The capital of Chad has begun to return to its own distinctive normality.

There are armed men on the streets, but they are from the rebel forces that took the city last Monday rather than the president's forces that held it before.

The foreign embassies and international organizations that evacuated their offices in the city as the rebels approached began returning by canoe and raft across the Shari River from Cameroon.

There are people running the radio and the ministries and the presidency, although technically Chad has no government at present and those in power by force of arms hold no mandate from the faction-ridden populace.

Characteristically, too, there is apprehension about Col. Moamer Qadhafi of Libya, Chad's northern neighbor. He has long been active in the affairs of this impoverished nation, part of which was annexed by Libya and whose south-

ern region — the only economically viable part of the country — is still seized with factional hostilities reportedly involving Libyan financing.

Over the years, Col. Qadhafi has at one time or another supported most of the factions involved in the country's contorted politics.

Ndjamena is now securely in the hands of Hissene Habré, a former defense minister whose forces were ejected from the capital in 1980 when Libya supported his main foe, President Goukouni Oueddei, in a civil war.

The Libyans, under outside pressure, withdrew from Chad in November to be replaced by an Organization of African Unity peace force. The Libyan withdrawal took place in such haste that, in the ensuing vacuum, Mr. Habré was able to wage a campaign that took him from sanctuaries in Sudan, across hundreds of miles of desert and back to the capital.

His inheritance and his challenge is a ruined city. Mr. Goukouni, who has fled to Cameroon, appealed once again to Col. Qadhafi for

support, but his request this time did not produce a major Libyan intervention.

The commander of the Organization of African Unity peace force in Chad said Friday he had ordered the withdrawal of his troops despite an appeal by Mr. Habré. Maj. Gen. Geoffrey Ejiga said he based his withdrawal orders on instructions from the OAU given before Mr. Habré captured Ndjamena. Gen. Ejiga, a Nigerian, had his first meeting Friday with Mr. Habré.

Withdrawal Orders

The OAU, Gen. Ejiga said, instructed him to begin withdrawing by Friday if Mr. Goukouni refused to accept the African organization's proposals for a political settlement of Chad's long-running civil strife. Although Mr. Habré has since taken over, Gen. Ejiga said he had received no further orders and he was going ahead with the withdrawal.

On Thursday, at his first news conference since the capital fell to his 8,000 guerrillas, called the Armed Forces of the North, Mr.

Habré said he wanted real independence for Chad and termed his opponents "political prostitutes" who have sold out to foreigners.

"We want to put an end to all foreign intervention by all countries because it is not in the interests of the people," he said in a statement that could refer equally to Libya or France, the former colonial power frequently thought to steer events here.

Mr. Habré is trying to avoid diplomatic isolation in Africa and hence wants the African forces to stay both as a deterrent to intervention and as tacit African recognition of the legitimacy of his administration.

The United States, which began moving its embassy back from Fort-Fourneau, Cameroon, on Friday, is not anticipating difficulties in establishing smooth relations with Mr. Habré, who was at one stage supplied with arms by Egypt through bases in Sudan. Egypt was able to supply the weapons because, according to Western diplomats elsewhere in Africa, the United States was renewing Cairo's arsenal.

Mr. Habré conceded that peace had not yet

returned to Chad, a nation where 11 factions have competed for power for many years. He was apparently referring to trouble in the Christian south, where some fear that a tribal war will break out and ruin the country's fragile economic base.

Supporters of Vice President Wadad Karoumou reportedly have been fighting in the south, providing a Christian mirror image of the northern war between Moslem factions.

"Our concern," he preoccupation," Mr. Habré said, "is to achieve peace and reconciliation in this country."

Memories of the war, however, are still fresh. Mr. Habré's forces, who wear red shoulder patches or ribbons to distinguish themselves from other factions in battle, do not seem to feel that the time has come to leave their guns at home.

They stroll around Ndjamena with a motley collection of Soviet and Western-made rifles.

They are clad in uniforms that range from Arab robes and red headdresses to jungle-striped camouflage.

Mr. Habré's forces have the confident swagger of the victorious, and their red shoulder patches are symbols of supremacy. The traffic police and immigration officials who recently worked for Mr. Goukouni now wear red shoulder patches of their own to show their new allegiance.

Censorship Is Ordered

KOSSERI, Cameroon (NYT) — The new authorities in Chad have introduced regulations designed to let them censor reports by foreign journalists, according to officials in

Chad.

An aide to the country's new ruler said Saturday that reporters who want to transmit articles from Ndjamena will have to submit their dispatches in advance to an official who will read them in the presence of the journalists.

"You have the right to send your stories," the spokesman told a Western correspondent. "We have the right to see them to make sure they are correct."

Opposition Sweeps Mauritius Vote Ending 14-Year Labor Party Rule

By Joseph Lelyveld
New York Times Service

PORT LOUIS, Mauritius — The party that has ruled this Indian Ocean island democracy since its independence 14 years ago has been routed so completely in elections that it was left with not a single seat in Parliament.

In a sweep of elections on Saturday, the candidates of the opposition — the Mauritian Militant Movement and its smaller ally, the Mauritian Social Democratic Party — won election in all the 60 contested constituencies. The only two members of the new Parliament not belonging to the alliance are representatives of a local party on Rodrigues, an island dependency 250 miles (400 kilometers) to the east, where the winners ran no candidates.

The vote was a repudiation of the Labor Party and its leader, Sir Seewoosagur Ramgoolam, a 32-year-old prime minister. It brought to power a party that was pledged to limited nationalization under a program of "socialism with a Mauritian face."

The Mauritian Militant Movement has also promised that its government would be nonaligned and would campaign in international forums such as the Organization of African Unity and the United Nations against the U.S. military presence on the island of Diego Garcia, 1,250 miles away.

Sir Seewoosagur's government had claimed Diego Garcia, a British-owned island that was once administered under the same authority as Mauritius. But it had indicated that it would be satisfied to see the U.S. forces stay for the 43

years remaining on a 50-year lease, if they paid rent.

The Mauritian Militant Movement is pledged to close the harbor of Port Louis to Soviet as well as to U.S. naval vessels. Both countries have used it until now.

The winning alliance drew support from all elements of a polyglot population of one million, nearly 70 percent of whom trace their origins to the Indian subcontinent.

Sir Seewoosagur had hired a political consultant from Massachusetts, Joseph Napolitan, to prepare a series of American-style television commercials.

The prime minister's supporters wore T-shirts that proclaimed:

"Forward with Ram to the Year 2000."

But it appeared that much of the youth vote had been lured by the promise of jobs by the Mauritian Militant Movement and its partners.

Paul Berenger, 37, who has been the driving force of the Mauritian Militant Movement since it was founded in 1969, promised to reassure the 28 parties that were shut out of Parliament by strengthening a constitutional provision guaranteeing a free election every five years.

The Mauritian Militant Movement has also pledged to take the island out of the British Commonwealth.

Anuradha Jugnauth, a Hindu lawyer who is the nominal leader of the Mauritian Militant Movement and the next prime minister, raised the possibility during the campaign that the Sir Seewoosagur might be made the first president as a gesture of reconciliation.

The party also plans to amend the constitution to revise a commitment to provide full and immediate compensation in the event of nationalization. But Mr. Berenger said the Mauritian Militant Movement's mandate would not lead it to push its program beyond the cautious goals outlined in the party manifesto.

Mr. Berenger said he hoped relations with the United States would be "very cordial" and he made light of his campaign charges that the Central Intelligence Agency had interfered on behalf of Sir Seewoosagur.

"We'll call them in every time we have an election," he said.

Envoy Visits Tanzania For Talks on Namibia

United Press International

DAR ES SALAAM, Tanzania — Representatives of the Western "contact" group on South-West Africa (Namibia) have arrived here to present new ideas to President Julius K. Nyerere of Tanzania on bringing independence to the South African administered territory.

Envoy from the United States, Britain and Canada arrived Saturday from Angola where they had held talks with government officials and representatives of the South-West Africa People's Organization, the group that has been waging guerrilla war against South Africa. The envoys were joined by officials from the embassies of West Germany and France, the other countries of the group.

The party also plans to amend the constitution to revise a commitment to provide full and immediate compensation in the event of nationalization. But Mr. Berenger said the Mauritian Militant Movement's mandate would not lead it to push its program beyond the cautious goals outlined in the party manifesto.

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"We'll call them in every time we have an election," he said.



ROYAL BIRTHDAY — A cloudburst damped Trooping the Color, the official birthday celebration of Queen Elizabeth II of Britain, in London on Saturday. A minute's silence was observed for forces in the Falklands, which include Queen Elizabeth's son, Prince Andrew.

4 U.S. Climbers Make First Trek To Circle Base of Mount Everest

By Christopher S. Wren
New York Times Service

PEKING — While mountaineers compete to find new ways of conquering Mount Everest, four Americans pulled off a new variation by becoming the first to trek completely around the world's highest peak.

The Americans arrived here af-

ter a 3½-month adventure on

cross-country skis and foot that covered 300 miles (480 kilometers) through Nepal and Tibet. Some sections, including seven major passes ranging up to 22,000 feet (6,673 meters), required climbing with ice axes and crampons, sharp 12-point cleats lashed to boots.

The idea of tackling the 29,028-foot Mount Everest horizontally rather than vertically was

conceived by Ned Gillette, 37, a writer and photographer from Stowe, Vt., who was once captain of the Dartmouth College ski team. The idea came to him while he looked at a map on his living room floor after getting permission to go ski-trekking in Tibet.

"In the mountains today, style is everything," Mr. Gillette said. "You can't climb unclimbed peaks anymore, and you can't explore unexplored country. This is a new way of looking at an old subject."

Since Westerners are not permitted to cross from Nepal into Tibet and back, the trip had to be done in two segments, with eight weeks in Nepal in December and January and six weeks in Tibet starting in late April.

Mr. Gillette was accompanied on the trip by Jan Reynolds, a 26-year-old ski instructor from Stowe, Miss. Reynolds set a women's record for high-altitude skiing when she skied down 24,757-foot Muztagata in the Chinese Pamirs after climbing the peak with Mr. Gillette two years ago.

For the climbing portions in Tibet, Mr. Gillette invited Jim Bridwell, 37, of Squaw Valley, Calif. Mr. Bridwell, a highly respected climber, led the others on a winter ascent of Pumori, a 23,442-foot subsidiary peak of Everest, which was at their westernmost point in Nepal.

Rick Barker, 27, a cabinetmaker from Ketchum, Idaho, was invited on the Tibet portion because of his reputation as a cross-country skier on steep terrain and because of his knowledge of avalanches.

Lightweight Skis

The team packed lightweight cross-country skis with metal edges and only a toe binding. The snow was so hard that they often resorted to crampons.

The toughest part for me was after climbing Pumori," Miss Reynolds said. "We had lost a lot of weight. We went over three 20,000-foot passes and then ran out of food for five days."

In Tibet, the Americans packed in two cache of food using yak skins starting their descent from the Western Cenber to Pumori and Everest. "The skiing was not great, but the slopes were just right," Mr. Gillette said of the descent, which ranged up to 30 degrees.

The team looked haggard upon returning to Peking, but Miss Reynolds said it was all worthwhile. "If you don't enjoy it, you might as well be out digging ditches, because it's hard work," she said.

France Deports Moro Case Suspect

PARIS — Francesco Piperno, who faces charges in Italy of involvement in the kidnapping and murder of former Premier Aldo Moro in 1978, has been expelled by French border police, airport police said.

Canadian courts recently turned down an Italian extradition request for Mr. Piperno, 40, a nuclear physicist, but decided to expel him. French police, however, on Saturday sent him back to Montreal just hours after his arrival, calling him an undesirable visitor.

France extradited Mr. Piperno to Italy in 1979 for questioning on the Moro affair but Italian officials released him due to a lack of evidence. He went to Montreal where he successfully fought off two extradition attempts.

UN Sees Further Fall In Population Growth

By Pranay B. Gupta
New York Times Service

NAIROBI — The world's population in the year 2000 will be 20 percent less than the 7.5 billion that some major international agencies had predicted, according to a report by the United Nations Fund for Population Activities.

Rafael M. Salas, the agency's director, said in the report that as a result of population-control programs, the world's population rate dropped from 1.99 percent in 1960-1965 to 1.72 percent in 1975-1980.

He said the United Nations was now predicting that the annual growth rate could fall to 1.5 percent by the year 2000. That would mean the world's population would reach 6.1 billion by the end of the century. Midway through 1981 UN statisticians estimated the world's population at 4.495 billion.

The report, released in Kenya, which has one of the highest birth rates in the world, also said that while birth rates have been dropping because of increased education and birth control programs, the decline in mortality, rates in many African countries and elsewhere in the Third World has been less than hoped.

It said population-control efforts had been least effective in Africa, where growth rates of 4.5 percent and above are still common. Of the 90 developing countries in

Africa, 32 have yet to adopt population-control programs; 22 of Asia's 32 developing nations have already adopted such policies, and in Latin America 10 of 30 nations have initiated programs.

The report said infant mortality rates in almost all countries of sub-Saharan Africa ranged from 90 to 170 deaths per 1,000 births; in developed Western nations, the rates range from seven to 15 deaths per 1,000 births.

The UN projection is that by 2000, people in developing countries will have a life expectancy of 63 to 64 years. A target of 74 years was suggested by the population program adopted by the UN a decade ago.

The UN program, which gives poorer nations money for family planning and other programs to slow population growth rates, said that while in 1960 only 26 developing countries had population-control programs, 59 had them by year's end.

Cuba, the agency's report said, showed the largest decline in birth rate, falling by 47 percent between 1965-70 and 1975-80. China was next with a 34-percent decline in the same period.

The report said seven other countries, each with a population of more than 10 million, have shown a decline in the birth rate of between 15 percent and 25 percent. They are Chile, Colombia, India, Indonesia, South Korea, Malaysia and Thailand.

Marie Rambert, 94, Dies; Founded Ballet Company

WASHINGTON — Membership in religious institutions in the United States declined last year by more than 500,000, according to the 1982 Yearbook of American and Canadian Churches.

The annual compilation of statistics, which was released by the National Council of Churches, indicates that the main Protestant churches suffered the largest losses. Roman Catholics, Jews and conservative evangelical groups registered gains.

The survey indicates that 115,590,825 Americans, or 58.7 percent of the population, are counted by some church or synagogue as a member.

The book includes statistics and other information on 218 different religions in the United States, 82 in Canada and a directory of national, organizational and publications related to organized religion. It also provides reports on trends among the churches.

Among its findings: Women make up a majority of the membership in all groups studied except the Reformed Church and some evangelical and fundamentalist churches; annual per capita contributions to churches, adjusted for inflation, increased from \$77.01 in 1961 to \$86.47 in 1980, and parishioners of the traditional Protestant churches are generally older than worshippers of other religions.

Alexander Purnie

CANASTOTA, N.Y. — Alexander Purnie, 79, a Republican representative in the U.S. House from 1958 to 1972, died Saturday, apparently from a heart attack. He was the ranking Republican member of the House Armed Services Committee and served as chairman of the Interparliamentary Union.

Frank Miller

Canadair announces yet another breakthrough in the fight against the high cost of jet fuel.



April 10, 1982: First flight of the new GE-powered Challenger 601.

With the introduction of the Lycoming-powered Challenger 600 in 1976, we began an unabashed campaign to wean executive travelers from the cramped, fuel-guzzling aircraft which, until then, had passed for corporate jets.

We were met with an enthusiasm that stunned even us.

Executives whose responsibilities demanded multi-hour jet travel thirty or forty times a year or more were apparently possessed of a desperate inner longing for an alternative to claustrophobia. And here we were, offering an aircraft both wider and more economical than any other intercontinental corporate jet in the world.

With the result that back orders for the Challenger 600 sprouted like the proverbial beanstalk.

At this writing, more than ten 600s are already in service, and over 25 more are in completion centers. More than 6,000 fleet hours have already been accumulated by these aircraft. And more than 30 Atlantic crossings were made during those hours.

And all this, as of the first flight of a new Challenger on April 10, 1982, is only half the story.

Introducing a second Challenger to choose from.

Like the Lycoming-powered Challenger 600, there were those who said the new Challenger 601 would never fly.

It was said, no corporate jet in history had ever combined so much performance with so much fuel economy. It was said, no corporate jet in history had

ever combined such performance and economy with such a wide cabin configuration.

All we said was, it will fly in April, 1982, which it has.

All we're saying now is, the General Electric engine will be certified on schedule in mid-1982. The aircraft will begin serving our customers and causing discomfort to our competitors by late 1983, and, like the Challenger 600, fly you more economically and in greater comfort than any other intercontinental corporate jet in the world.

(The fact is, even far smaller corporate jets with shorter range fail to achieve any meaningful advantage over either Challenger in fuel efficiency. While corporate jets of comparable size can consume as much as 40% to 60% more than a 600 or 601,* depending on trip length.)

Actually, there is one other thing we'd like to say. If you want to find out more about the Challenger family of business jets, the man to speak to is Mr. James B. Taylor, President of Canadair Inc. You can call him at (203) 226-1581, or write him at Canadair Inc., 274 Riverside Avenue, Westport, CT 06880.

In the Mideast business world, TAG Aeronautics Ltd. is the exclusive distributor and representative for Challenger sales and support. For further information, contact Adel A. Oubari, Vice President, TAG Aeronautics Ltd., 14 Rue Charles Bonnet, 1211 Geneva 12, Switzerland. Phone: (022) 46 17 17. Telex: 289 084.

And you might as well know now. The back orders have already started. **canadair
challenger**

International Bond Prices - Week of June 10

Provided by White Weld Securities, London, Tel.: 623 1277; a Division of Financiere Credit Suisse - First Boston

RECENT ISSUES

Am1	Security	SP/Conv	Issue Pr.	Mid Pr.	Yield	Am1	Security	SP/Conv	Issue Pr.	Mid Pr.	Yield	Am1	Security	SP/Conv	Issue Pr.	Mid Pr.	Yield
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BUSINESS / FINANCE

MONDAY, JUNE 14, 1982

Page 9

New Issues on Hold After Heavy Sales

By Carl Gewirtz

International Herald Tribune
PARIS — A wave of selling shattered the Eurobond market last week. The West Germans suspended on Friday the remainder of this month's calendar and declared a two-week hiatus in new issue activity to allow time for the market to digest the surfeit of paper already available.

The dollar sector of the market was equally hard hit, and only two

EUROBONDS

new issues — both floating rate notes — were put on offer.

The very heavy level of sales — going so far as to call it dumping — of dollar Eurobonds over the past two weeks is interpreted by some analysts as more than just a temporary weakness and rather as a signal that the market has entered a new, more subdued, phase.

The market has "entered a new cycle," said Hans-Jörg Rudloff of Credit Suisse First Boston. The pace of business, which totaled a record of about \$26 billion worth of new issues during the first six months, will now abate to more normal levels, he added.

For him, this means the volume of new issues will be linked to the amount of money coming naturally into the market through payments of interest and principal on outstanding issues — a monthly volume on the order of \$2.5 billion.

The reason for the change is that the unbelievable flow of buying out of Switzerland has run out,

said Mr. Rudloff.

He said he sees two factors contributing to the diminishing supply of new funds to the bond market:

The bulk of the money that had been temporarily parked in short-term deposits has been reinvested in the bond market, and the big switch into the dollar is largely over.

The dollar is too expensive

for investors to buy now and, in fact, is so high that it is enticing Europeans and Japanese who have invested in dollars to switch out and pocket some hefty foreign ex-

(Continued on Page 10, Col. 4)

Steel Ruling No Miracle Cure for U.S. Industry

By Jane Scaberry

Washington Post Service

WASHINGTON — When the Commerce Department ruled last week that European governments had unfairly subsidized their steel companies, the ailing U.S. steel industry may have interpreted the decision as an elixir for better health.

But industry analysts are cautioning that the Commerce Department's prescription may turn out to be only a placebo, or that it could set up the industry for a relapse later on.

"By winning these cases, the steel industry makes it less likely that they can solve their other problems," because there will be

less pressure to do so, said Charles Bradford, an analyst for Merrill Lynch. Instead of unfairly priced imports, the steel industry's problem "is the shape of the U.S. economy and the recession," said Drexel Burnham Lambert analyst David Healy.

Analysis said the decision favoring the steel industry relieves the pressure on steelworkers to reopen negotiations and accept lower wages and benefits. One of the industry's major problems is high labor costs, which average \$22 an hour per worker, the highest for U.S. manufacturing workers, Mr. Bradford said.

And if the Canadians or Koreans do not take over, the foreign companies that are effectively barred from shipping steel to the United States can change their product mix to include more sophisticated and profitable goods not covered by the action, analysis said.

The Commerce Department filed its decision at midnight Thursday after 11-hour talks with the U.S. steel industry and the EEC failed to produce a settlement on 28 cases that accused companies in seven European countries, as well as Brazil and South Africa, of illegally subsidizing their steel industries. The complaints had been filed by seven of the United States' largest steelmakers, led by U.S. Steel Corp.

Concern is widespread that the estimated \$90 billion of net new Treasury borrowing in the next six months might push rates higher. Furthermore, traders said it was unlikely that note and bond yields would fall significantly as long as the Fed kept reserves in the banking system scarce enough to result in overnight interest rates of 13 or 14 percent. On Friday, financing costs for government securities dealers were about 13½ percent, a sufficiently high level to discourage speculative purchases and encourage reductions of inventories.

The Commerce action affects 3.9 million tons of 1981 steel imports valued at \$1.4 billion; that is, about 20 percent of U.S. steel imports and about 4 percent of U.S. steel consumption. It requires U.S. importers immediately to post cash or a bond equal to the estimated subsidy to insure that countervailing duties are paid after a final determination this fall. The subsidies range from less than 1 percent to more than 40 percent of steel prices.

The cases now go to the International Trade Commission, which will decide whether the domestic industry was injured by the foreign trade practices. In addition, the government still must decide other steel-subsidy cases and complaints charging that foreign steelmakers violated U.S. statutes by selling steel in the United States at prices below those they charge in their own countries.

The decision Thursday effective at 12:01 a.m. on June 14, but still \$2.5 billion above the level consistent with the upper end of the Federal Reserve's 2½ to 5½ percent annual growth target. The May level was almost \$1 billion above the level consistent with the Federal Reserve's most recently published inflation target of a 3 percent annual growth rate from March to June.

Slow growth in June is important, they added, because a large increase of \$5 billion or more is widely forecast for the first week of July. If the early July increase comes on the heels of fast growth in June, it is more likely that the Federal Reserve would respond by making bank reserves scarcer and pushing interest rates up.

The increase in rates Friday reversed most of the declines that followed passage by the House of Representatives of a Republican budget resolution setting an estimated deficit of just under \$100 billion for the 1983 fiscal year.

The rate on six-month Treasury bills rose to 12.44 percent in late trading Friday compared with 12.2 percent earlier, while the price of 14-percent Treasury bonds due in 2011 fell half a point in late trading to an offered price of 102½ to yield 13.69 percent. Before the

and high wages are a great problem. "I don't think the average blue-collar steel mill worker believes they are the problem," Mr. Bradford said.

A larger problem for the U.S. industry, however, is that Canadian or Korean steel companies, which are extremely efficient and have been relatively prudent in their exports to the United States, could fill the void left by the European companies affected by the Commerce Department's action.

And if the Canadians or Koreans do not take over, the foreign companies that are effectively barred from shipping steel to the United States can change their product mix to include more sophisticated and profitable goods not covered by the action, analysis said.

On the other hand, American steel companies should be able to raise their prices. U.S. producers have been discounting their prices to match those of the subsidized imports. Analysts said steel price increases would not cause much of a change in the cost of goods such as appliances, cars or housing, whose steel costs are a small percentage of their prices.

However, the American Institute for Imported Steel estimates that U.S. consumers will pay more than \$5 billion more annually because of the duties. "This action has eliminated the only competition faced by domestic steel mills," said Marcel Loch, institute president. The subsidy action "will embargo certain steel imports by pricing them out of the market and increase prices of both imports and American steel products," he added.

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budget vote Thursday, the bond issue was priced at about 102, but rose to 102½ afterward.

Concern is widespread that the estimated \$90 billion of net new Treasury borrowing in the next six months might push rates higher. Furthermore, traders said it was unlikely that note and bond yields would fall significantly as long as the Fed kept reserves in the banking system scarce enough to result in overnight interest rates of 13 or 14 percent. On Friday, financing costs for government securities dealers were about 13½ percent, a sufficiently high level to discourage speculative purchases and encourage reductions of inventories.

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U.S. Companies That Conduct Nuclear Weapons Research and Production



Source: Energy Department

COMPANY	FACILITY	LOCATION	MAIN FUNCTION	CURRENT CONTRACT EXPIRES	FISCAL '81 OPERATING COST	FISCAL '81 MANAGER'S FEE
Bendix	Kansas City	Kansas City, Mo.	Produces non-nuclear components of weapons	Dec '86	\$321.5 million	\$4.9 million
E. I. du Pont	Savannah River	Aiken, S.C.	Tritium separation	Oct '84	\$55.8 million	\$1*
General Electric	Pinellas	St. Petersburg, Fla.	Produces a wide range of weapons components	Sept '83	\$64.5 million	\$2.7 million
Mason & Hanger-Siles Mason	Pantex Plant	Amarillo, Texas	Final assembly of nuclear weapons	Sept '86	\$74.0 million	\$2.5 million
Monsanto Research	Mound Facility	Miamisburg, Ohio	Conducts explosives-technology research	Sept. '83	\$98.2 million	\$3.7 million
Rockwell International	Rocky Flats	Golden, Colo.	Produces the nuclear component of warheads	Dec '86	\$191.6 million	\$4.2 million
Union Carbide	Y-12 Plant	Oak Ridge, Tenn.	Fabricates and certifies nuclear weapons components	Sept. '83	\$254 million	\$1.8 million
						* Never collected

The New York Times
Source: Energy Department

Hungary Used Gold to Secure A Swiss Credit

By Carl Gewirtz

International Herald Tribune
PARIS — Hungary, hard-pressed for Western credits earlier this year when commercial banks virtually ceased lending to all Eastern-bloc countries, used its gold reserves to secure at least one loan, and possibly more, from banks in Switzerland, it has been authoritative learned.

Knowledge of such transactions could be very embarrassing for Hungary, which has about \$75 billion worth of uncollateralized Euromarket loans outstanding.

A standard clause in these loans, a so-called negative pledge agreement, binds the borrower from arranging any new loans that are better secured unless such collateral is applied to the outstanding loans as well. Such clauses would appear to require Hungary to pledge its gold as collateral on all its borrowings.

The plants are supported by research from government laboratories such as the Los Alamos National Scientific Laboratory in New Mexico.

Each plant develops and produces one or more parts of a nuclear warhead. Detonators are made, for example, by Monsanto at the Mound Facility, and tritium, a radioactive hydrogen isotope that charges the bomb, is produced by Du Pont at Savannah River.

The warhead parts are assembled at the Pantex plant, which is operated by Mason & Hanger-Siles Mason, a construction and engineering concern based in Lexington, Ky. The completed warheads are turned over to the Defense Department for storage.

The plants are owned by the government and the contractors are reimbursed for their expenses and then paid a set fee. While Du Pont's fee is only \$1 a year, the annual fees of the other companies are also small.

Monsanto, for example, received \$3.6 million in the last fiscal year — a small fraction of its \$6.9 billion in sales — and General Electric received \$2.7 million, which amounts to pocket change compared with its annual sales of \$27.4 billion.

"The level of fees is still very low in relation to what the company dedicates to the operations," said Spiridon N. Suci, manager of GE's neutron devices department. "These same people in a commercial operation could produce much more profit."

When asked if Union Carbide, which received about \$8 million for operating the Y-12 plant and three other government facilities, would consider continuing its contract at a higher fee, Mr. Kennedy said, "Not really, it is a hypothetical question."

One advantage in managing a large government project is having the use of the facility to train employees. Most of the contractors of the nuclear weapons plants, however, have found the technology too specialized to be readily used elsewhere.

"We have had some people movement, but not a lot," said Mr. Braun of Monsanto. "There has not been a real good utilization of the technology because most of it is so unique to this business."

Union Carbide, Du Pont and General Electric agreed with that.

Should there be additional cancellations from the companies now running the plants, there is some evidence that the contracts could be assumed by military contractors, which design and build the delivery systems, such as bombers and missiles, for the nuclear warheads. In 1975, Dow Chemical withdrew from its 23-year-old contract in Rocky Flats, Colo., and the plant is now managed by Rockwell International.

J.D. Gylf, director of business development for Rockwell's Energy

(Continued on

International Bond Prices—Week of June 10

Provided by White Weld Securities, London, Tel.: 623 1277; a Division of Financiere Credit Suisse - First Boston

(Continued from Page 8)

DM STRAIGHT BONDS

AUSTRALIA

SPORTS

كذا من الأصل

Argentines Upset in World Cup Opener

Belgians Triumph, 1-0, On Vandenberghe's Goal

Compiled by Our Staff From Dispatches

BARCELONA — Belgium upset defending champion Argentina 1-0, in the opening match of the 1982 World Cup soccer championship Sunday.

Erwin Vandenberghe scored in the 62d minute. After controlling a long cross from Alex Czerniawski, Vandenberghe, alone in the penalty area, beat the Argentine goalie, Ubaldo Fillol, with a shot into the left corner.

Argentina pressed hard for an equalizer. A free kick in the 76th minute by Diego Maradona, Argentina's young superstar, to the crossbar and the ball rebounded to the British over the Falkland Islands. The British are represented here by England.

Marco Kempes, but his shot from close was blocked by a diving Jean Marie Pfaff, the Belgian goalie.

Seven minutes later, Kempes got the ball in a scramble on the right side of the penalty area, but his chest high drive was stopped by Pfaff.

That was the last clear chance for Argentina as Belgium pulled everyone back on defense. The match, before about only 95,000 people in the 120,000-seat Nou Camp Stadium, ended a sequence of scoreless draws in the last four World Cup final openers, dating back to 1966 when the policy of kicking off the tournament with a single match was started.

"Every man has his place in this battle," he said Sunday. "We are soccer players and will fight for our country on the soccer field."

Argentina carried another edge into the opening game: Spain has sided with the South American country in the battle for the Falklands.

At a midday ceremony in Barcelona's Plaza Cataluna, Spaniards greeted Argentina's flag with round applause and jeered England's colors.

Thousands of fans had jammed the square to watch flags of the 24 nations raised as a police band played the national anthems.

Argentine fans, many wearing shirts and caps in their nation's colors, broke into frenzied cheering when their blue and white flag was raised, and two young men draped a huge Argentine flag from a fifth-floor balcony overlooking the square.

The coach charged the ground was unfit and the grass too long to risk his players.

On Sunday, Sierocho Mayor Manola Villa called on Candas residents to boycott all Austrian matches because of the arrogant behavior of the team management.

The mayor's boycott message was published also in German — in La Voz de Asturias and other local newspapers.

The Austrian team finally played against the local Candas club, running up a 7-1 victory.

Austrian officials are depressed at the turn of events and fear anti-Austrian demonstrations at their first World Cup match against Chile in Oviedo.

Team manager Georg Schmidt said he intended to



Erwin Vandenberghe scoring against Ubaldo Fillol in the World Cup opener Sunday in Barcelona.

Sweet Gift of Austrians Turns Sour

Compiled by Our Staff From Dispatches

CANDAS, Spain — The goodwill generated by the World Cup has worn off in this Spanish city.

On Saturday, the Austrian soccer team won over local fans when they handed out Sacher torte — the world-famed Vienna chocolate cake — but the sweetens turned sour when the team called off a training game against the local pro club after 2,000 spectators were already in their seats.

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Team manager Georg Schmidt said he intended to

visit Villa to extend Austria's apologies, but the mayor said he will protest to the president of the World Cup Organizing Committee about the financial damage incurred by the local club that had to issue refunds to the 2,000 ticket-holders for the match.

Meanwhile, urgent talks were being held in Vigo to ensure that Monday's World Cup match between Italy and Poland would go ahead as scheduled.

An organizing committee official said Sunday that the match was in danger of being called off because of the absence of water and electric power supplies to the stadium.

"We don't have lights and we don't have water, for which the municipality is responsible," said Rogelio Chantada Lago, a member of the Vigo World Cup organizing committee. "There may not even be a match tomorrow."

Problems are not new to Vigo stadium. The nearby Lagares River, heavily polluted and evil-smelling, regularly flooded the pitch until it was enclosed in a concrete channel running under the new stand.

Spanish newspapers have reported that the electric power supply to the refurbished stadium was inadequate and that a dispute had broken out over who should pay for additional circuits.

SPORTS BRIEFS

Connors Beats McEnroe at Queen's

LONDON — Jimmy Connors, serving with impressive consistency, won the Queen's Club championship Sunday with a 7-5, 6-3 victory over John McEnroe in 79 minutes.

But Connors played down the possible significance of his triumph in relation to Wimbledon, where the two will be seeded to meet each other in the final three weeks from now. "Every time we play it's a new day and a new time," Connors said, "although I'd be very happy if I could keep this form through until then."

McEnroe, who was chasing his fourth consecutive Queen's Club title, said: "I'm just sorry I didn't play better. I was missing several shots I ought not to have missed. I wasn't moving well enough and I didn't have enough rhythm in my serve."

King Wins Grass-Court Tournament

BIRMINGHAM, England — Billie Jean King defeated Rosalyn Fairbank of South Africa, 6-2, 6-1, Sunday to post her first tennis tournament victory since September, 1980.

King, who is 38 years old and has undergone three major operations on her knee and ankle, took the \$18,000 first-place prize in the grass-court tournament at Edgbaston in Birmingham.

Danes, Portuguese Gain in Davis Cup

HOERSHOLM, Denmark — Rain washed out the final two singles matches Sunday in the European Zone B Davis Cup tennis competition between Denmark and the Netherlands, but the Danes already had clinched the best-of-five series by winning the first three matches.

Michael Mortensen and Peter Bastiansen won the opening singles matches Friday, beating Lou Sanders and Michiel Schapers respectively. The same Danish pair clinched the series by teaming for a five-set victory in Saturday's doubles over Schapers and Huub van Boeckel. In the next round, Denmark will play Portugal, which swept Egypt, 5-0.

In Athens, meanwhile, Finland defeated Greece, 3-2, in a second-round European Zone A meeting and qualified to meet Ireland in the zone semifinal. Ireland defeated Monaco, 4-1, in Dublin.

Pironi at Pole for Canada Grand Prix

MONTREAL — Didier Pironi of France held the pole position going into Sunday's Canadian Grand Prix auto race after hitting speeds of 112.730 miles an hour (150.638 kilometers an hour) in the second qualifying round.

He completed Saturday's fastest lap of the 4.41-kilometer Gilles Villeneuve circuit in 1:27.509. The former Le Mans driver has been renamed in honor of Villeneuve, the Quebec-born driver who died after a crash during a practice run at the Belgian Grand Prix on May 8.

Scott Edges Walker in Mile Race

BERKELEY, California — Steve Scott won his duel in the mile with John Walker, and Billy Olson won the pole vault Saturday at an international track and field meet here.

Scott battled Bob Ingraham in the early going and then held off Walker down the home stretch to take the victory in the featured mile in 3 minutes, 54.1 seconds. Olson recorded a winning leap of 18 feet, 1 inch (5.6 meters).

In the women's mile, Mary Decker-Tabb brought the crowd to its feet with a fine 4:23.22 effort in her first outdoor race at that distance this year. Last week Decker-Tabb set a world record in the 5,000 meters in Oregon.

Floyd Stretches Memphis Golf Lead

MEMPHIS, Tenn. — Ray Floyd surged to a five-shot lead Saturday in the third round of the Memphis Golf Classic with his second 67 of the tournament for a 14-under-par 202.

Mike Holland was second with a 68/207 followed by Mark McNulty, a South African playing in his first tournament after qualifying as a PGA member, at 67/208 and Tom Purtzer, 69/208. First-round co-leader Mark Lye was another stroke back at 209, after shooting his second straight 71.

Stephenson Leads LPGA by 2 Shots

MASON, Ohio — Jan Stephenson, who has led or shared the lead all the way, fired a 70 Saturday for an 8-under-par total of 208 and a 2-stroke lead in the Ladies Professional Golf Association Championship. Stephenson fired 69s in her first two rounds.

Beth Daniel, who shared the first-round lead and trailed by 1 stroke at the halfway point, ran into trouble Saturday, hitting a tree on one hole and landing beside a cart path on another. She finished with four birdies and three bogeys at 71/210 and second place.

Two strokes back were JoAnne Carner (71/212), Hollis Stacy (69/212) and Pam Gietzen (71/212). Amy Alcott, Therese Hession, a first-round co-leader but who fell back with a 73 Friday, and Sandra Palmer were tied at 214 over the soggy, 6,298-yard course at the Jack Nicklaus Sports Center near Cincinnati.

Compiled From Agency Dispatches



Holmes following through with the right that knocked down Cooney in the second round.

Holmes Scores TKO Over Cooney As Trainer Stops Contest in 13th

By Michael Katz
New York Times Service

LAS VEGAS — Larry Holmes, a self-controlled and intelligent performer, had beaten a courageous but outclassed Gerry Cooney for 12 rounds. In the 13th, he turned on the power and sent Cooney about to slump to the canvas for the second time in the World Boxing Council heavyweight title fight, the challenger's corner, Victor Valle, entered the ring and the referee ended the fight. It was over.

Erin Cooney was going to be a robbery," said King, the co-promoter and Holmes' adviser, and Saturday.

Boxing. Larry Holmes, 26, of Las Vegas, stopped Gerry Cooney, 26, of New York, in the 13th round of their heavyweight title fight at the MGM Grand Hotel-Casino, Saturday, June 11, 1982. Holmes, 113-111, had the lead throughout, but Cooney had been the aggressor in the first 12 rounds.

Holmes had defended his title successfully for the 12th time, the 11th with a knockout, and the undefeated champion was never more convincing than he was Friday night.

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LANGUAGE

On Middle Initials

By William L. Safire

NEW YORK — If you join the Army and do not have a middle initial, the Army will give you three: "N.M.I." standing for "No Middle Initial." You then get to know yourself as Doe, Joe, N.M.I.

"It's important to note that nothing is missing," explains Army spokesman Gerald W. Headley. "Most people have middle initials. 'N.M.I.' would clarify that there is no omission."

David J. Rosenbaum, an editor in UPI's Trenton bureau, denigrates them for another reason: "I'm strongly opposed to using middle initials when it is perfectly clear who is being referred to. What difference does it make that Gov. Thomas Kean's middle initial is 'H'?" The rule should be: Does it inform, distinguish, entertain, or illuminate? If it doesn't, it doesn't belong — toss it. He adds that this is his own opinion and not UPI style.

One narrow question I posed was: Should newspapers include the middle initial of famous people, as in "Margaret H. Thatcher"? The overwhelming response: No. "Why? The better to distinguish her from Margaret M. Thatcher?" demands Frederic C. Marston of New York, who sees a sinister trend in names of states from plain old Cyrus Vance to Alexander M. Haig Jr. Says Marston: "The less, the better. Just as 'U.S.' is better than 'U.S.A.', so, too, will 'Margaret Thatcher' do."

Rewards of Fame

I agree: newspaper style should eschew the M.I. in the names of the most famous, unless the middle letter is so euphonious as to make the name seem naked without it. Under that rule, the M.I. stays in Robert E. Lee and Ulysses S. Grant (whose name was originally Hiram Ulysses Grant, but the acronym struck his elders as silly) and is removed from Winston S. Churchill, Albert Einstein was too smart to have a middle initial. When names are less well known, reporters should use the M.I.

The broader question of initializing was also addressed (and stamped and mailed) by nonjournalistic readers: Who needs that



middle name, anyway? Richard Nixon, upon becoming president, dropped "Milhouse"; Ronald Reagan dropped his W. (for Wilson) when he entered the White House. Recent Democratic presidents go the other way: F.D.R., H.S.T., J.F.K. and L.B.J. all made good use of the M.I., until Jimmy Carter did away with all formality.

That's one of the keys: formality. An M.I. lends dignity. Some people resist this: "The use of a middle initial in one's own name makes the name sound less original, less distinctive," writes Judith Kirk of Amherst, Maine. "It sounds like a formula we mutter mindlessly because it has a certain rhythm." But others recognize the sonorous or serious nature of a name with an M.I.: Ed Murrow knew what he was doing by signing off as Edward R. Murrow.

Personal Privacy

Proponents of the M.I. add this note: Nobody has to know what the letter stands for. "The middle initial is one of the last vestiges of personal privacy in an overfamiliar world," says Will C. Long of Hillsborough, N.H. I always avoided giving my schoolmates my middle name when they asked what the "I" was for, because it stands for "Lewis" and I didn't like being called "Louie." I have since dropped the M.I., except in today's place where it seemed fitting.

With the rise of women in the executive work force, the middle initial is giving way to the full maiden name (though a few insatiable reject "maiden name" as sexist). Attorney Carolyn Hill of Oklahoma City observed that for many years businesswomen put down businesswomen by refusing to accord them middle initials; she insisted on "Carolyn G. Hill" until recently, when she began to use her full name, Carolyn Gregg Hill, because "as much as I loved and respected my husband, my accomplishments and failures have been exclusively my own."

My initial advice is to use a middle initial, or even an initial initial (as in Q. John Public) if you are having an identity crisis. "My name is so common," writes John William Smith of Birmingham, Mich., "that it makes little difference what I call myself." But he has the solution in the next generation: "I plan on naming my son Igor Buxthude Smith, after two of my favorite musicians." Only if the kid becomes world famous will he drop the "B."

Unemployment Scare

"We anticipate a saloon," says Mary Daly, the network's creative director, who attributes the subject's apparent popularity to the fact that "people are scared of rising unemployment and the economic crunch; they've had a free and easy lifestyle, which didn't really work, and now they're clamoring for security." Etiquette, she added, "is right up there with 'Herpes' and 'Understanding Reagan's Tax Bill' as the subjects most requested by our students."

Mary Susan Miller, who is working with Elizabeth L. Post, the granddaughter of Emily Post, on updating "The New Emily Post's Etiquette," said, "People have become so horrified, hurt and disgusted by rudeness that a resurgence of manners was inevitable."

Manners, says Mrs. Miller, are "not a set of rules that someone out there arbitrarily says follow. Manners are to make other people, as well as yourself, comfortable." She is

currently teaching corporate executives, among others, to be comfortable.

When Marjabelle Stewart was at the Waldorf-Astoria recently to conduct a class on dining for children from the United Nations International School, it was yet one more

in her constant etiquette campaign.

Mrs. Stewart, who has made manners her cottage — or, perhaps, castle — industry, has written 11 books on the subject ("Marjabelle Stewart's Book of Modern Table Manners," the most recent, was published last year). Her children's etiquette classes (seven weeks, \$65, graduation ceremony and tea party included) are franchised in 476 cities throughout the country.

"Everyone wants to be upper crust today," says Mrs. Stewart, who also conducts courses ("Eating Your Way to the Top") for both executives and college students.

Evidence of a Comeback

Ann Buchwald, a Washingtonian who is married to Art Buchwald and was Mrs. Stewart's co-author on such books as "White Gloves and Party Manners" and "Stand Up, Shake Hands, Say 'How Do You Do,'" finds further evidence that manners are staging a comeback.

"Women are wearing gloves for the first time in years, and there's a return to dresses," she said. "How people look has a lot to do with the way they behave." It was President and Mrs. Reagan, Mrs. Buchwald adds, who "put the cap on the bottle."

Many of the parents who are most concerned about teaching their children good manners, Mrs. Buchwald has found, were students who demonstrated in the '60s and '70s. "When they locked up the dean, they didn't much care about where glasses go on the dinner table," she said. "But they now want their children to care."

For those who, like him, grew up in the '60s and '70s, P.J. O'Rourke is writing "Modern Manners: Etiquette for Extremely Rude People." "We never learned how to dress properly or give cocktail parties," O'Rourke says. "It was an era when people erased the tapes on how to behave."

It is the family that is — or should be — the unit that teaches manners to youngsters, according to Letitia Baldridge, who revised and expanded the most recent edition of "The Amy Vanderbilt Complete Book of Etiquette."

The many young people who grew up having dinner in front of the television set instead of the dining table never did learn table manners, Miss Baldridge says. "Besides that, their parents were divorced and were never home to advise them."

What Miss Baldridge sees as an increased

interest in manners is, she believes, a good sign, because "when people know how to behave, things proceed in a beautiful, military way. Indoor manners must compensate for all the bad manners going on outdoors."

Manners, in the opinion of Judith Martin, who writes a syndicated column called "Miss Manners," may not yet have improved greatly, but people are perceiving the need for a cohesive body of etiquette. This need is always there, she says, "in times of transition and doubt such as this." Miss Martin's "Miss Manners' Guide to Excruciatingly Correct Behavior" is out this month.

Another title, scheduled for publication later this year, is George Mazzoni's "The New Office Etiquette," which he says he wrote because "there's been a breakdown in business manners, and people are realizing they can no longer deal with the constant rudeness which became a part of the business world when crude young people became superstars."

Mazzoni's book deals with "the new etiquette toward women in business" and sets guidelines for such business behavior as who should go through a revolving door first (the woman still does) and the correct way to deal with your boss's in-office lover (smile, nod, and don't talk about the affair). The book is scheduled for publication later this year.

One can learn "How to Eat an Artichoke and Other Trying Troublesome Hard-to-Get-At Foods" in Rochelle Udell's just-published book. Miss Udell wrote it, she says, "because food is so often a barrier to socializing across the dinner table." She got the idea for her book, she says, while observing "someone's cherry tomato squirt across a dining room."

A Certain Distance

Although Clara Boothe Luce has no plans to write an etiquette book, she has observed social mores from the time she says, "life was 'much more ceremonial.' Manners today — except for official life in Washington — have, she believes, 'virtually disappeared,' and she sees 'no signs of a renaissance.'"

For Mrs. Luce, "good manners is treating others with a certain distance and formality until a friendship is formed."

She added, "The rudest human beings in the world are New York taxi drivers," and "if family meals ever come back, they'll probably come from McDonald's."

As for the current American interest in manners and etiquette, "I do hope," Mrs. Luce says, "they buy all the books they can."

LETTER FROM CAIRO

Educational Oasis

By David Lamb
Los Angeles Times Service

CAIRO — Smack-dab in the middle of Cairo, amid the din and dirt of one of the world's most chaotic cities, is a small oasis with spotless walkways, carefully tended lawns and blissful silence.

For 62 years, this square block on Kasr el Aini Street has been the campus of the American University, a respected institution that has managed to stay aloof from international politics even though many of today's Middle East leaders have studied there.

Even during the stormy 1960s, when Cairo and Washington had no diplomatic relations, President Gamal Abdel Nasser sent his daughter to the American University and privately told officials there to pay no attention to his government's threat to nationalize the Agency for International Development. Before long, AID money was accounting for 60 percent of the university's budget. That figure has now fallen to 35 percent, and if the fund-raising drive is successful, it will shrink to 25 percent.

Enrollment is primarily Egyptian but it includes 175 Americans and students from 40 countries in all. Egyptians are charged \$400 a semester and foreigners pay \$1,600. The curriculum emphasizes liberal arts and the sciences. Classes are taught in English and the faculty studiously avoids involvement in local politics, as well as attempts to Americanize the students.

The university's appeal to Arab students is twofold. First, graduates are fluent in English and are therefore assured almost immediate employment. Second, whereas other institutions here tend to emphasize learning with memorizing, The American University seeks to teach its students to evaluate and make judgments.

"The written or spoken word is something sacred in Egypt," said Carl Schuren, the university's director of grant development and a 12-year resident of Cairo. "You find children 8 or 9 years old who have memorized the entire Koran, and for people like that words are something to be internalized, to be cherished without alteration."

"So, you find a tendency here not to criticize or evaluate, to simply take what is given and recite it. One of our main challenges is to break the students' habit of memorizing and develop in them habits in independent study and thinking."

China, Zaire Leaders Meet

The Associated Press

PEKING — China's top leader, Deng Xiaoping, met Saturday with President Mobutu Sese Seko of Zaire, and both leaders said their friendly relations were based on mutual trust, the New China News Agency said.

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